

2003 Real Estate Withholding Tax Statement**597**

Buyer or other Transferee: Name, address, state, and ZIP Code

Private Mailbox no.

Are there other buyers?

☐ Yes☐ No

Buyer's social security no. (SSN)

Buyer's ☐ California corporation no. ☐ FEIN

Seller or Transferor: Name, address, state, and ZIP Code

Private Mailbox no.

Ownership percentage

Seller's SSN

Seller's spouse's SSN (if jointly owned)

Seller's ☐ California corporation no. ☐ FEIN

Escrow company: Name, address, state, and ZIP Code

Private Mailbox no.

Escrow company tax ID no.

Escrow company telephone no.

()

Address (or parcel number and county) of the California real property transferred

Amount Withheld From This Seller

Check One: ☐ 3 1/3% of Sales Price☐ 3 1/3% of Boot☐ 3 1/3% of Installment Payment☐ Reduced by FTB

Confirmation no.

(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)

Escrow no.

Date of transfer (Close of escrow)

Sales price of the California real property transferred

Name of preparer (please type or print)

Title

Preparer's telephone number

()

Copy A to be filed with the Franchise Tax Board

For Privacy Act Notice get form FTB 1131 (individuals only)

General Information

California Revenue and Taxation Code Section 18662 requires the buyer (transferee) to withhold 3 1/3 percent of the total sales price on the disposition of California real estate when the seller is an individual, a corporation with no permanent place of business in California, or a non-individual with a last known street address (at the time of the real estate transfer) outside of California.

Use Form 597 to report and pay the amount withheld.

Who Must File

A buyer, or other transferee (including the accommodator or intermediary in a deferred like-kind exchange) of California real estate with a withholding requirement, must file Copy A of Form 597 to report and remit the amount withheld. If there are multiple buyers, each is jointly and severally obligated to ensure remittance of the total withholding amount to us. However, the obligation of each will be met if one of the joint buyers withholds and transmits the required amount. Enter the information for only one buyer on Form 597 and check the appropriate box in the "Are there other buyers?" field.

Amount to Withhold

Unless otherwise provided, the withholding is 3 1/3 percent of the total sales price.

If there are multiple sellers, we calculate the withholding on the total sales price and then allocate it to each seller in proportion to their ownership interest.

In the case of a simultaneous exchange as defined under Internal Revenue Code (IRC) Section 1031, we require the withholding agent to withhold 3 1/3 percent on any proceeds the seller receives from escrow. Check the "3 1/3% of Boot" box to indicate that the withholding is only on the cash or cash equivalent (boot).

In the case of a non-simultaneous exchange, we require the intermediary or accommodator to withhold 3 1/3 percent on the boot an individual receives. The intermediary or accommodator must withhold 3 1/3 percent of the total sales price if the exchange does not occur or does not meet the requirements of IRC Section 1031. Check the appropriate box to indicate whether the withholding is calculated on the total sales price or on the boot.

For installment sales, we calculate the withholding on the total sales price. We will defer the withholding if the buyer

agrees to withhold 3 1/3 percent of the down payment and 3 1/3 percent of each payment thereafter. The buyer must complete and sign Form 593-I, *Real Estate Withholding Installment Sales Agreement* to defer any withholding. You must attach Form 593-I to the Form 597 with the down payment withholding. If the payment of withholding is only for an installment payment and not the total sales price, check the "3 1/3% of Installment Payment" box.

Check the "Reduced by FTB" box only when a **non-individual** seller receives a determination letter from FTB allowing reduced withholding. Enter the Confirmation Number from FTB's Real Estate Withholding Determination letter.

When and Where to File

The buyer or other transferee must file Copy A of Form 597 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

If a non-individual seller requested a waiver and has not received a response from us by the time title transfers, the parties may direct the escrow person to hold funds for withholding in trust for 45 days. At the end of 45 days, the escrow

person must remit the statutory withholding amount to us.

If there are multiple individual sellers or transferors, **the buyer must file a separate Form 597 for each person withheld upon.** If the sellers are married and they owned the property jointly, you may include both spouses on the same form.

Mail **Copy A** of Form 597 with payment to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

Distribute the other copies of Form 597 as follows:

- **Copy B** – Send to sellers. Sellers must attach this copy to their California tax return to claim credit for withholding.
- **Copy C** – Send to sellers for their records.
- **Copy D** – Retained by withholding agent.

Interest and Penalties

The law provides for the assessment of interest on late payments of withholding.

We compute interest from the due date to the date paid.

If the buyer does not file Form 597 and pay the withholding amount within the time prescribed we will assess penalties on the buyer.

If the buyer does not withhold after notification, we will assess penalties on the buyer of \$500 or ten percent of the required withholding, whichever is greater.

If the real estate escrow person does not notify the buyer or other transferee in writing to withhold, we may assess penalties for the real estate escrow person of \$500 or ten percent of the required withholding, whichever is greater.

If the buyer does not furnish copies of Form 597 to the seller and us, we may assess penalties. These penalties start at \$50 per Form 597, up to the greater of \$100 or ten percent (per form) of the required withholding amount.

Additional Information

For more information on real estate withholding, get FTB Pub. 1016, *Real*

Estate Withholding Guidelines. To get a withholding form or publication, or to speak to a representative, contact the FTB Withholding Services and Compliance Section's automated telephone service at (888) 792-4900 or (916) 845-4900 (not toll-free). FAX (916) 845-9512.

For information on requirements to file a California tax return or to get forms call:

From within the

United States (800) 852-5711

From outside the

United States (916) 845-6500

You can download, view, and print California tax forms and publications. Go to our Website at www.ftb.ca.gov

Assistance for persons with disabilities

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments, call:

TTY/TDD (800) 822-6268

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

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other buyers?☐ Yes☐ No

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Buyer's ☐ California corporation no. ☐ FEIN

Seller or Transferor: Name, address, state, and ZIP Code

Private Mailbox no.

Ownership percentage

Seller's SSN

Seller's spouse's SSN (if jointly owned)

Seller's ☐ California corporation no. ☐ FEIN

Escrow company: Name, address, state, and ZIP Code

Private Mailbox no.

Escrow company tax ID no.

Escrow company telephone no.

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Address (or parcel number and county) of the California real property transferred

Amount Withheld From This Seller

Check One: ☐ 3 1/3% of Sales Price☐ 3 1/3% of Boot☐ 3 1/3% of Installment Payment☐ Reduced by FTB

Confirmation no.

(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)

Escrow no.

Date of transfer (Close of escrow)

Sales price of the California real property transferred

Name of preparer (please type or print)

Title

Preparer's telephone number

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Copy B to be filed with seller's or transferor's California tax return

For Privacy Act Notice get form FTB 1131 (individuals only)

Instructions for Seller or Transferor

This withholding of tax does not relieve you from the requirement to file a California income tax return within three months and fifteen days (two months and fifteen days for a corporation) after the close of your taxable year.

Even if you do not have a filing requirement, you should file a return if we withheld California tax.

You must attach the top portion of Form 597, Copy B to the front of your California tax return.

File:

- Form 540, *California Resident Income Tax Return*, if you are a resident individual.
- Form 540NR, *California Nonresident or Part-Year Resident Income Tax Return (Long Form)*, if you are a nonresident individual.

- Form 100, *California Corporation Franchise or Income Tax Return*, if you are a corporation.
- Form 100S, *California S Corporation Franchise or Income Tax Return*, if you are an S corporation.

For information on requirements to file a California tax return or to get forms:

Call:

From within the
United States (800) 852-5711

From outside the
United States (916) 845-6500
(not toll-free)

For hearing impaired with
TTY/TDD (800) 822-6268

OR Write:

TAX FORMS REQUEST SECTION
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

You can download, view, and print California tax forms and publications. Go to our Website at www.ftb.ca.gov

For additional information or to speak to a representative regarding this form call the Withholding Services and Compliance Section's automated telephone service at: (888) 792-4900 or (916) 845-4900 (not toll-free).

OR Write:

WITHHOLDING SERVICES AND
COMPLIANCE SECTION
FRANCHISE TAX BOARD
PO BOX 651
SACRAMENTO CA 95812-0651

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Buyer or other Transferee: Name, address, state, and ZIP Code		Private Mailbox no. <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div>	Are there other buyers? <input type="checkbox"/> Yes <input type="checkbox"/> No	Buyer's social security no. (SSN) <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>
Seller or Transferor: Name, address, state, and ZIP Code		Private Mailbox no. <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div>	Ownership percentage <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div>	Buyer's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>
Escrow company: Name, address, state, and ZIP Code		Private Mailbox no. <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div>	Seller's SSN <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>	
		Escrow company telephone no. ()	Seller's spouse's SSN (if jointly owned) <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>	
		Escrow company tax ID no. <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 2px;"></div>	Seller's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>	
Address (or parcel number and county) of the California real property transferred		Amount Withheld From This Seller <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>		
Confirmation no. <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>		Check One: <input type="checkbox"/> 3 1/3% of Sales Price <input type="checkbox"/> 3 1/3% of Boot <input type="checkbox"/> 3 1/3% of Installment Payment <input type="checkbox"/> Reduced by FTB		
Escrow no. <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>		Sales price of the California real property transferred <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>		
Name of preparer (please type or print) <div style="border: 1px solid black; width: 100%; height: 20px; margin: 2px;"></div>		Preparer's telephone number ()		

Copy C for seller's or transferor's records

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For information on requirements to file a California tax return or to get forms:

Call:

From within the United States (800) 852-5711

From outside the United States (916) 845-6500
(not toll-free)

For hearing impaired with TTY/TDD (800) 822-6268

OR Write:

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Confirmation no.

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Escrow no.

Date of transfer (Close of escrow)

Sales price of the California real property transferred

Name of preparer (please type or print)

Title

Preparer's telephone number

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Copy D for withholding agent (buyer or other transferee)

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General Information

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Use Form 597 to report and pay the amount withheld.

Who Must File

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Amount to Withhold

Unless otherwise provided, the withholding is 3 1/3 percent of the total sales price.

If there are multiple sellers, we calculate the withholding on the total sales price and then allocate it to each seller in proportion to their ownership interest.

In the case of a simultaneous exchange as defined under Internal Revenue Code (IRC) Section 1031, we require the withholding agent to withhold 3 1/3 percent on any proceeds the seller receives from escrow. Check the "3 1/3% of Boot" box to indicate that the withholding is only on the cash or cash equivalent (boot).

In the case of a non-simultaneous exchange, we require the intermediary or accommodator to withhold 3 1/3 percent on the boot an individual receives. The intermediary or accommodator must withhold 3 1/3 percent of the total sales price if the exchange does not occur or does not meet the requirements of IRC Section 1031. Check the appropriate box to indicate whether the withholding is calculated on the total sales price or on the boot.

For installment sales, we calculate the withholding on the total sales price. We will defer the withholding if the buyer

agrees to withhold 3 1/3 percent of the down payment and 3 1/3 percent of each payment thereafter. The buyer must complete and sign Form 593-I, *Real Estate Withholding Installment Sales Agreement* to defer any withholding. You must attach Form 593-I to the Form 597 with the down payment withholding. If the payment of withholding is only for an installment payment and not the total sales price, check the "3 1/3% of Installment Payment" box.

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When and Where to File

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Interest and Penalties

The law provides for the assessment of interest on late payments of withholding.

We compute interest from the due date to the date paid.

If the buyer does not file Form 597 and pay the withholding amount within the time prescribed we will assess penalties on the buyer.

If the buyer does not withhold after notification, we will assess penalties on the buyer of \$500 or ten percent of the required withholding, whichever is greater.

If the real estate escrow person does not notify the buyer or other transferee in writing to withhold, we may assess penalties for the real estate escrow person of \$500 or ten percent of the required withholding, whichever is greater.

If the buyer does not furnish copies of Form 597 to the seller and us, we may assess penalties. These penalties start at \$50 per Form 597, up to the greater of \$100 or ten percent (per form) of the required withholding amount.

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